

S 521 IS

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S. 521

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses incurred in teleworking.

IN THE SENATE OF THE UNITED STATES

March 13, 2001

Mr. SANTORUM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses incurred in teleworking.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Telework Tax Incentive Act'.

SEC. 2. FINDINGS.

The Congress finds as follows:

- (1) Federal, State, and local governments spend billions of dollars annually on the Nation's transportation needs.
- (2) Congestion on the Nation's roads costs over \$74,000,000,000 annually in lost work time, fuel consumption, and costs of infrastructure and equipment repair.
- (3) On average on-road-vehicles contribute 30 percent of nitrogen oxides emissions.
- (4) It is estimated that staying at home to work requires 3 times less energy consumption than commuting to work.

(5) It was recently reported that if an identified 10 to 20 percent of commuters switched to teleworking, 1,800,000 tons of regulated pollutants would be eliminated, 3,500,000,000 gallons of gas would be saved, 3,100,000,000 hours of personal time would be freed up, and maintenance and infrastructure costs would decrease by \$500,000,000 annually because of reduced congestion and reduced vehicle miles traveled.

(6) The average American daily commute is 62 minutes for a 44-mile round-trip (a total of 6 days per year and 5,808 miles per year).

(7) The increase in work from 1969 to 1996, the increase in hours mothers spend in paid work, combined with a shift toward single-parent families resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in parental time available outside of paid work they could spend with their children.

(8) Companies with teleworking programs have found that teleworking can boost employee productivity 5 percent to 20 percent.

(9) Today 60 percent of the workforce is involved in information work (an increase of 43 percent since 1990) allowing and encouraging decentralization of paid work to occur.

(10) In recent years, studies performed in the United States have shown a marked expansion of teleworking, with an estimate of 19,000,000 Americans teleworking by the year 2002, 5 times the amount in 1990.

SEC. 3. CREDIT FOR TELEWORKING.

(a) IN GENERAL- Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

`SEC. 30B. TELEWORKING CREDIT.

`(a) ALLOWANCE OF CREDIT- In the case of an eligible taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified teleworking expenses paid or incurred by the taxpayer during such year.

`(b) MAXIMUM CREDIT-

`(1) PER TELEWORKER LIMITATION- The credit allowed by subsection (a) for a taxable year with respect to qualified teleworking expenses paid or incurred by or on behalf of an individual teleworker shall not exceed \$500.

`(2) REDUCTION FOR TELEWORKING LESS THAN FULL YEAR- In the case of

an individual who is in a teleworking arrangement for less than a full taxable year, the amount referred to paragraph (1) shall be reduced by an amount which bears the same ratio to \$500 as the number of months in which such individual is not in a teleworking arrangement bears to 12. For purposes of the preceding sentence, an individual shall be treated as being in a teleworking arrangement for a month if the individual is subject to such arrangement for any day of such month.

`(c) DEFINITIONS- For purposes of this section--

`(1) ELIGIBLE TAXPAYER- The term `eligible taxpayer' means--

`(A) in the case of an individual, an individual who performs services for an employer under a teleworking arrangement, and

`(B) in the case of an employer, an employer for whom employees perform services under a teleworking arrangement.

`(2) TELEWORKING ARRANGEMENT- The term `teleworking arrangement' means an arrangement under which an employee teleworks for an employer not less than 75 days per year.

`(3) QUALIFIED TELEWORKING EXPENSES- The term `qualified teleworking expenses' means expenses paid or incurred under a teleworking arrangement for furnishings and electronic information equipment which are used to enable an individual to telework.

`(4) TELEWORK- The term `telework' means to perform work functions, using electronic information and communication technologies, thereby reducing or eliminating the physical commute to and from the traditional worksite.

`(d) LIMITATION BASED ON AMOUNT OF TAX-

`(1) LIABILITY FOR TAX- The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of--

`(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

`(B) the tentative minimum tax for the taxable year.

`(2) CARRYFORWARD OF UNUSED CREDIT- If the amount of the credit allowable under subsection (a) for any taxable year exceeds the limitation under paragraph (1) for the taxable year, the excess shall be carried to the succeeding taxable year and added to the amount allowable as a credit under subsection (a) for such succeeding taxable year.

`(e) SPECIAL RULES-

`(1) BASIS REDUCTION- The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit (determined without regard to subsection (d)).

`(2) RECAPTURE- The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

`(3) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED- No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

`(4) ELECTION TO NOT TAKE CREDIT- No credit shall be allowed under subsection (a) for any expense if the taxpayer elects to not have this section apply with respect to such expense.

`(5) DENIAL OF DOUBLE BENEFIT- No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account in determining the credit under this section.'

(b) TECHNICAL AMENDMENT- Subsection (a) of section 1016 of the Internal Revenue Code of 1986 is amended by striking `and' at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting `; and', and by adding at the end the following new paragraph:

`(28) to the extent provided in section 30B(e), in the case of amounts with respect to which a credit has been allowed under section 30B.'

(c) CLERICAL AMENDMENT- The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

`Sec. 30B. Teleworking credit.'

(d) EFFECTIVE DATE- The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

END